BEIERHOLM
VI SKABER BALANCE

Plast1 Holding ApS

Kongevej 132, 2970 Hørsholm

CVR no. 42 72 81 36

Annual report for 2022

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 28.06.23

Mikkel Falck Andersen
Dirigent

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Group information etc.

The company

Plast1 Holding ApS
Kongevej 132
2970 Hørsholm
Registered office: Hørsholm
CVR no.: 42 72 81 36
Financial year: 01.01 - 31.12

Executive Board

Michael Westergaard
Mikkel Falck Andersen

Board of Directors

Marnix Samuel Baron van der Feltz
Morten Skjønnemand
Guido Grobbink

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Parent company

Standard Investment Netherlands Delta B.V, Netherlands

Subsidiaries

Plast 1 A/S, Hørsholm
Plast 1 GmbH, Tyskland

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.22 - 31.12.22 for Plast1 Holding ApS.

The annual report is presented in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.12.22 and of the results of the group’s and parent’s activities and of the group's cash flows for the financial year 01.01.22 - 31.12.22.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Hørsholm, June 28, 2023

Executive Board

Michael Westergaard	Mikkel Falck Andersen

Board of Directors

Marnix Samuel Baron van der Feltz Chairman	Morten Skjønnemand	Guido Grobbink

Independent auditor's report

To the capital owners of Plast1 Holding ApS

Opinion

We have audited the consolidated financial statements and parent company financial statements of Plast1 Holding ApS for the financial year 01.01.22 - 31.12.22, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31.12.22 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 01.01.22 - 31.12.22 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements" section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement regarding the management's review

Management is responsible for management's review.

Our opinion on the consolidated financial statements and parent company financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and parent company financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements or parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management’s review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management’s review is in accordance with the consolidated financial statements and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management’s review.

Management's responsibility for the consolidated financial statements and parent company financial statements

The Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and parent company financial statements unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the consolidated financial statements and parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the consolidated financial statements and parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and per-formance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Soeborg, Copenhagen, June 28, 2023

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Lasse Rosenborg Petersen

State Authorized Public Accountant
MNE-no. mne42896

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2022	2021
Profit/loss		
Revenue	558,404	0
Total net financials	-13,887	0
Profit for the year	8,971	0
Balance		
Total assets	266,339	40
Investments in property, plant and equipment	40,479	0
Equity	36,278	40

Ratios definitions

Return on equity: $\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

Gross margin: $\frac{\text{Gross result x 100}}{\text{Revenue}}$

Primary activities

The group's activities consist of producing and selling plastic household goods, primarily to the FMCG segment and Discounted Retailers. The products are primarily sold at the central European market.

Development in activities and financial affairs

The income statement for the period 01.01.22 - 31.12.22 shows a profit/loss of DKK 8,970,537 against DKK 0 for the period 01.01.21 - 31.12.21. The balance sheet shows equity of DKK 36,278,229.

Operations and growth targets have been met in 2022, despite continued impact of Covid-19/Coronavirus, which in Q1 influenced customers, with close down of some retail stores still in Q1 2022. The War in Ukraine as well as the inflation also affected the company financially but is assessed for the year very satisfactorily.

The professionalization that the company has gone through in recent years is reflected in and is a contributing factor to the fact that today the company appears robust and operationally solid. Earlier proven in the Covid-19 phase and now in an unstable environment, where the war in Ukraine in particular has resulted in sharply rising costs e.g., increase of plastic raw material prices, pressure on the transport area, sharply increasing diesel costs and a growing shortage of drivers throughout Europe.

In 2022, it became necessary for Plast1 to prepare for moving most of the storage box production from a Manufacturer. This required large investments in both new molds and production equipment.
Due to a production agreement with the existing Manufacturer, expiring 31. December 2022, Plast1 could only start delivery of storage boxes from new Manufactures from 1. January 2023, which required a large buffer stock being build up and ready for shipment primo January 2023, which resulted in the high stock value over the turn of the year.

The earnings expectations for 2022 were a net profit above the net profit realised for 2021. The objective was not met due to the above mentioned.

Activities, logistics and sales
In 2021, the Company initiated a targeted process of exploring the possibility of making a change of generation. In March 2022, the company was acquired by the Dutch Private Equity Fund, Standard Investment, which entered Plast1 as the majority Shareholder together with the Management, joining as minority Shareholders. The constellation has ensured that the Company is strongly grounded to continue expanding its activities and growth into the future.

Logistic and production continued in 2022 to be a focus area and it is positive to conclude, that the very high level of delivery and service from 2021 has been maintained and further improved in 2022, under difficult conditions.

The strengthen of the DACH sales organization in 2021 has shown very good results in 2022, as well as the export activities outside the DACH region also showed promising progress. The Scandinavian market was restructured in 2022 and we are convinced, that this will yield results already in 2023.

During 2022, the new R&D department contributed significantly to the business in general. The Company managed in 2022 to design and introduce more new products, at a higher technical and quality level, than ever before. Also newly developed Software systems has contributed to general efficiency of the production and optimization in the logistic related matters. We are convinced, that this R&D asset also in future will contribute positive to development of the Company's activities, among this design, production, and economic optimization.

Momentum on product development and focus on optimization on sustainability continues wherever possible. In 2021, Plast1 expanded its production capacity significantly and the new Partnerships have shown very promising results already in 2022. This means that Plast1 has achieved its goal of being able to meet Customers growth expectation in the years to come.

Despite difficult market conditions, rising costs and uncertainty in 2022, it is very satisfying not only to maintain but increase the overall sales. Growth in the fundamental business has been achieved on all parameters.

Outlook

For the coming year, the company expects a positive profit before tax at a higher level, compared to the financial year 2022, however, with the uncertainty that the increase in raw materials in general and uncertainty the war in Ukraine continues to cause.

The management assesses that the structure and the organization of the Company, means that Plast1 is strong and fully adapted to the customers' future requirements and expectations.

Financial risks

Price risks

The company's use of plastic as raw material can be seen as a special risk due to the significant price fluctuations in the market for plastic raw material. The company follows this development close, so that any price increases are factored into the selling prices as far as possible.

Foreign currency risks

Activities abroad mean that profit, cash flows and equity are affected by price and interest rate developments for a number of currencies. To a significant extent, this currency is hedged by buying and selling in the same currency.

External environment

Plast1 continues to adapt the Company to the growing Sustainability demand on all parameters. All new products are developed with focus on potential usage of recycled plastic raw material. We work continuously on minimizing the use of packaging materials and strive for optimal packaging in general, which again ensures minimal need for transport. In 2022, the company intensified end-user communication through upgrade of product label information.

Plast1 sets requirements for documentation of compliance with statutory safety and environmental regulations, applicable in the countries concerned. Plast1 reserves the right to audit at any time. It is Plast1's opinion that all the Company's partners meet above and thus contribute positively to the environment and climate.

Corporate social responsibility

Human rights

Plast1 wants to be a transparent and trustworthy partner that acts reliable with a high level of integrity. Plast1 has a continuous focus on optimization of our efforts in relation to the company’s ethical, social, and environmental responsibility. Plast1 has zero tolerance for child labor, which also applies to all partners.

Plast1 complies with all applicable legal requirements, nationally and internationally, in relation to human rights. It is management's assessment that our CSR policy contributes positively to employees' well-being and working conditions

Food safety

Plast1 assesses that risks in terms of food safety may arise if our raw materials used in connection with the production of our products can cause illness and harm to consumers. It could also have a significant detrimental effect on the company's reputation.

By complying with EU food safety requirements and current rules testing of products used in connection with food, we believe that we ensure the best possible food safety and thus contribute positively to the maintenance of the same.

Anti-corruption and money laundering

Plast1 denounces and supports the fight against corruption and money laundering. Plast1 has assessed that a risk of corruption will only be possible on the use of gifts to influence the customer or the employee's decisions. Therefore, Plast1 believes that it is sufficient to follow the Danish rules and laws in the area. Our internal financial rules and related controls also ensure that illegal transactions will be avoided.

Gender diversity

Target figures for the supreme management body

The Board of Directors has set a target figure of 33% for the underrepresented gender on the Board of Directors, corresponding to 1 out of 3 board members. The Board of Directors aims to achieve the target figure before the end of 2023.

Policy to increase the share of the underrepresented gender at other management levels

At present, the company has no female board members appointed by the general meeting out of a total of 3 board members. Last year there was 1 female board member out of a total of 3.

Data ethics

The company's activities and business model do not include data processing to an extent where the management deems it necessary to establish a policy for the area. The company does not process data nor does it use algorithms for data analysis, and this is thus not an integral part of the company's strategy and business model.

Income statement

Note		Group 2022 DKK	Group 2021 DKK	Parent 2022 DKK	Parent 2021 DKK
1	**Revenue**	**558,404,488**	**0**	**1,444,217**	**0**
	Other operating income	232,825	0	0	0
	Costs of raw materials and consumables	-421,555,810	0	0	0
	Other external expenses	-91,491,645	0	-3,672,643	0
	Gross result	**45,589,858**	**0**	**-2,228,426**	**0**
2	Staff costs	-13,378,288	0	0	0
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	**32,211,570**	**0**	**-2,228,426**	**0**
	Depreciation and impairments losses of property, plant and equipment	-4,388,307	0	0	0
	Other operating expenses	-411,895	0	0	0
	Operating profit/loss	**27,411,368**	**0**	**-2,228,426**	**0**
4	Income from equity investments in group enterprises	-7,068,123	0	14,630,122	0
	Financial income	16,951	0	0	0
5	Financial expenses	-6,836,008	0	-5,027,452	0
	Profit before tax	**13,524,188**	**0**	**7,374,244**	**0**
	Tax on profit for the year	-4,553,651	0	1,596,293	0
	Profit for the year	**8,970,537**	**0**	**8,970,537**	**0**

6 Proposed appropriation account

Balance sheet

ASSETS

Note		Group 31.12.22 DKK	Group 31.12.21 DKK	Parent 31.12.22 DKK	Parent 31.12.21 DKK
	Goodwill	60,158,943	0	0	0
7	**Total intangible assets**	**60,158,943**	**0**	**0**	**0**
	Land and buildings	9,021,801	0	0	0
	Plant and machinery	27,809,387	0	0	0
	Other fixtures and fittings, tools and equipment	422,431	0	0	0
	Prepayments for property, plant and equipment	5,915,028	0	0	0
8	**Total property, plant and equipment**	**43,168,647**	**0**	**0**	**0**
9	Equity investments in group enterprises	0	0	125,329,802	0
	Total investments	**0**	**0**	**125,329,802**	**0**
	Total non-current assets	**103,327,590**	**0**	**125,329,802**	**0**
	Manufactured goods and goods for resale	21,062,815	0	0	0
	Total inventories	**21,062,815**	**0**	**0**	**0**
	Trade receivables	138,098,826	0	0	0
	Receivables from group enterprises	40,000	0	40,000	0
	Income tax receivable	0	0	1,596,293	0
	Other receivables	2,314,410	40,000	821,021	40,000
	Prepayments	962,568	0	0	0
	Total receivables	**141,415,804**	**40,000**	**2,457,314**	**40,000**
	Cash	**532,305**	**0**	**0**	**0**
	Total current assets	**163,010,924**	**40,000**	**2,457,314**	**40,000**
	Total assets	**266,338,514**	**40,000**	**127,787,116**	**40,000**

Balance sheet

EQUITY AND LIABILITIES

Note		Group 31.12.22 DKK	Group 31.12.21 DKK	Parent 31.12.22 DKK	Parent 31.12.21 DKK
10	Share capital	50,582	40,000	50,582	40,000
	Retained earnings	36,227,647	0	36,227,647	0
	Total equity	**36,278,229**	**40,000**	**36,278,229**	**40,000**
11	Provisions for deferred tax	2,549,356	0	0	0
	Total provisions	**2,549,356**	**0**	**0**	**0**
12	Payables to other credit institutions	95,663,550	0	71,260,950	0
12	Payables to group enterprises	8,736,367	0	8,736,367	0
	Total long-term payables	**104,399,917**	**0**	**79,997,317**	**0**
12	Short-term part of long-term payables	12,515,885	0	9,539,885	0
	Payables to other credit institutions	15,846,953	0	421,518	0
	Trade payables	85,626,214	0	438,458	0
	Payables to group enterprises	0	0	1,111,709	0
	Income taxes	7,264,480	0	0	0
	Other payables	1,857,480	0	0	0
	Total short-term payables	**123,111,012**	**0**	**11,511,570**	**0**
	Total payables	**227,510,929**	**0**	**91,508,887**	**0**
	Total equity and liabilities	**266,338,514**	**40,000**	**127,787,116**	**40,000**

13 Contingent liabilities
14 Charges and security
15 Related parties

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings
Group:		
Statement of changes in equity for 01.01.22 - 31.12.22		
Balance as at 01.01.22	40,000	0
Capital increase	50,582	27,257,110
Capital reduction	-40,000	0
Net profit/loss for the year	0	8,970,537
Balance as at 31.12.22	50,582	36,227,647
Parent:		
Statement of changes in equity for 01.01.22 - 31.12.22		
Balance as at 01.01.22	40,000	0
Capital increase	50,582	27,257,110
Capital reduction	-40,000	0
Net profit/loss for the year	0	8,970,537
Balance as at 31.12.22	50,582	36,227,647

Consolidated cash flow statement

Note		Group 2022 DKK	Group 2021 DKK
	Profit for the year	**8,970,537**	**0**
16	Adjustments	23,220,327	0
	Change in working capital:		
	Inventories	-21,062,815	0
	Receivables	-141,375,804	-40,000
	Trade payables	85,626,215	0
	Other payables relating to operating activities	1,857,480	0
	Cash flows from operating activities before net financials	**-42,764,060**	**-40,000**
	Interest income and similar income received	16,951	0
	Interest expenses and similar expenses paid	-6,836,008	0
	Income tax paid	5,261,185	0
	Cash flows from operating activities	**-44,321,932**	**-40,000**
	Purchase of intangible assets	-65,627,938	0
	Purchase of property, plant and equipment	-49,643,569	0
	Sale of property, plant and equipment	55,297	0
	Cash flows from investing activities	**-115,216,210**	**0**
	Raising of additional capital	27,307,692	40,000
	Arrangement of payables to credit institutions	124,026,388	0
	Repayment of payables to group entreprises	8,736,367	0
	Cash flows from financing activities	**160,070,447**	**40,000**
	Total cash flows for the year	**532,305**	**0**
	Cash, end of year	**532,305**	**0**
	Cash, end of year, comprises:		
	Cash	532,305	0
	Total	**532,305**	**0**

1. Revenue

With reference to the exemption-on-prejudice provision in section 96(1) of the Danish Financial Statements Act, the company has omitted to provide segment information. The reason for the omission is that providing segment information is considered to cause significant damage to the company, as the information will lead to inappropriate insight into customer composition and earnings and thus damage the company's business basis.

	Group		Parent	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK
2. Staff costs				
Wages and salaries	12,039,952	0	0	0
Pensions	514,758	0	0	0
Other social security costs	604,743	0	0	0
Other staff costs	218,835	0	0	0
Total	13,378,288	0	0	0
Average number of employees during the year	15	0	0	0

3. Fees to auditors appointed by the general meeting

	Group 2022 DKK	Group 2021 DKK	Parent 2022 DKK	Parent 2021 DKK
Statutory audit of the financial statements	136,500	0	0	0
Tax advice	70,000	0	0	0
Other services	264,250	0	0	0
Total	470,750	0	0	0

	Group		Parent	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK

4. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	0	21,698,245	0
Amortisation of goodwill	-7,068,123	0	-7,068,123	0
Total	-7,068,123	0	14,630,122	0

5. Financial expenses

Interest, group enterprises	546,154	0	546,154	0
Other interest expenses	5,410,924	0	4,481,298	0
Other financial expenses	878,930	0	0	0
Other financial expenses	6,289,854	0	4,481,298	0
Total	6,836,008	0	5,027,452	0

6. Proposed appropriation account

Retained earnings	8,970,537	0	8,970,537	0

7. Intangible assets

Figures in DKK	Goodwill
Group:	
Additions during the year	65,627,938
Cost as at 31.12.22	65,627,938
Amortisation during the year	-5,468,995
Amortisation and impairment losses as at 31.12.22	-5,468,995
Carrying amount as at 31.12.22	60,158,943

8. Property, plant and equipment

Figures in DKK	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Prepayments for property, plant and equipment
Group:				
Additions during the year	9,224,355	30,217,442	1,036,932	9,164,840
Transfers during the year to/from other items	0	3,249,812	0	-3,249,812
Cost as at 31.12.22	9,224,355	33,467,254	1,036,932	5,915,028
Impairment losses during the year	0	0	-182,952	0
Depreciation during the year	-202,554	-5,657,867	-431,549	0
Depreciation and impairment losses as at 31.12.22	-202,554	-5,657,867	-614,501	0
Carrying amount as at 31.12.22	9,021,801	27,809,387	422,431	5,915,028

9. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Parent:	
Additions during the year	139,699,680
Cost as at 31.12.22	139,699,680
Amortisation of goodwill	-5,468,995
Depreciation of other excess values in respect of equity investments	-1,599,128
Net profit/loss from equity investments	21,698,245
Dividend relating to equity investments	-29,000,000
Revaluations as at 31.12.22	-14,369,878
Carrying amount as at 31.12.22	125,329,802
Positive balances ascertainable on initial recognition of equity investments measured at equity value	0

Name and registered office:	Ownership interest
Subsidiaries:	
Plast 1 A/S, Hørsholm	100%
Plast 1 GmbH, Tyskland	100%

10. Share capital

	Quantity	Total nominal value DKK
Capital increase during the financial year	50,582	50,582

	Group		Parent	
	31.12.22 DKK	31.12.21 DKK	31.12.22 DKK	31.12.21 DKK

11. Deferred tax

Deferred tax as at 01.01.22	0	0	0	0
Additions relating to mergers and acquisition of enterprises	2,959,603	0	0	0
Deferred tax recognised in the income statement	-410,247	0	0	0
Deferred tax as at 31.12.22	2,549,356	0	0	0

12. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.22
Group:			
Payables to credit institutions	12,515,885	51,634,784	108,179,435
Payables to group enterprises	0	0	8,736,367
Total	12,515,885	51,634,784	116,915,802
Parent:			
Payables to credit institutions	9,539,885	39,002,784	80,800,835
Payables to group enterprises	0	0	8,736,367
Total	9,539,885	39,002,784	89,537,202

13. Contingent liabilities

Group:

Lease commitments

The group has concluded lease agreements with terms to maturity of 3-9 months and total lease payments of DKK 60k.

Parent:

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

14. Charges and security

Group:

The group has issued mortgage deeds registered to the mortgagor in the total amount of DKK 7.441k secured upon land and buildings with a carrying amount of DKK 9,022k.

The group has provided a company charge of DKK 19.121k as security for debt to credit institutions. As at 31.12.22, the company charge comprises the following assets with the following carrying amounts:

- Other plant, fixtures and fittings, tools and equipment, DKK 28,232k
- Inventories, DKK 21,063k
- Trade receivables, DKK 138,099k

Parent:

The company has not provided any security over assets.

15. Related parties

Controlling influence	Basis of influence
Standard Investment Netherlands Delta B.V, Netherlands	Parent company

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

	Group	
	2022 DKK	2021 DKK
16. Adjustments for the cash flow statement		
Other operating income	-55,297	0
Depreciation and impairments losses of property, plant and equipment	4,388,307	0
Income from equity investments in group enterprises	7,068,123	0
Financial income	-16,951	0
Financial expenses	6,836,008	0
Tax on profit or loss for the year	4,553,651	0
Other adjustments	446,486	0
Total	23,220,327	0

17. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

17. Accounting policies - continued -

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

BUSINESS COMBINATIONS

Newly acquired or newly founded enterprises are recognised as from the date of acquisition and the date of foundation, respectively. The date of acquisition is the date at which control of the enterprise is obtained. Divested or discontinued enterprises are recognised until the date of divestment or discontinuation. The date of discontinuation is the date at which control of the enterprise passes to a third party.

Acquired enterprises are recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of the newly acquired enterprises are measured at fair value at the date of acquisition.

The added value mainly relates to goodwill, and no other significant items was identified in the PPA.

The cost of the equity investments in the acquired enterprises is offset against the proportionate share of the fair value of the enterprises' net assets at the acquisition date.

17. Accounting policies - continued -

On acquisition of subsidiaries, goodwill is recognised on a proportionate basis based on the actual ownership interest in the acquired equity investments.

The goodwill (positive difference) determined at the date of acquisition is recognised under intangible assets in the consolidated financial statements and under equity investments in subsidiaries in the parent's balance sheet. Goodwill from acquired enterprises is adjusted until 12 months after the acquisition date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

17. Accounting policies - continued -

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the

17. Accounting policies - continued -

following expected useful lives and residual values:

	Useful lives, years	Residual value DKK
Goodwill	10	0
Buildings	20	50
Plant and machinery	8	15
Other plant, fixtures and fittings, tools and equipment	3-5	0

Goodwill is amortised over 10 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

Land is not depreciated.

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

Income from equity investments in group entreprises

For equity investments in subsidiaries that in the parent are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

17. Accounting policies - continued -

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Intangible assets

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation and impairment losses' section.

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if

17. Accounting policies - continued -

the useful lives of the individual components vary.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

Prepayments for property, plant and equipment

Prepayments for property, plant and equipment comprise prepayments to suppliers.

Gains and losses on the disposal of property, plant and equipment

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group entreprises

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a measurement method.

Accounting policies for the acquisition of subsidiaries are stated in the 'Business combinations' section.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement in the consolidated financial statements at the date incurred. Where the cost on acquisition of equity investments includes a contingent purchase consideration, this consideration is measured at fair value at the date of acquisition. Subsequent value adjustment of contingent purchase consideration at fair value is recognised in the cost of acquired equity investments. For subsidiaries, subsequent value adjustment of contingent purchase consideration at fair value is recognised in the income statement in the consolidated financial statements.

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Equity investments with a negative carrying amount are measured at DKK 0. Receivables that are considered part of the combined investment in the enterprises in question are impaired by any remaining negative equity value. Other receivables from such enterprises are impaired to the extent

17. Accounting policies - continued -

that such receivables are considered uncollectible. Provisions to cover the remaining negative equity value are recognised to the extent that the parent has a legal or constructive obligation to cover the liabilities of the enterprise in question.

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at 10 years for equity investments in subsidiaries. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed, unless goodwill is included in the carrying amount of equity investments.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

17. Accounting policies - continued -

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank account.

Equity

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost. Dividends from subsidiaries which are adopted before adoption of the annual report for Plast1 Holding ApS are not tied up in the revaluation reserve (simultaneous principle).

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

17. Accounting policies - continued -

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repay-

17. Accounting policies - continued -

ment of long-term payables.

Cash and cash equivalents at the beginning and end of the year comprise cash and short-term payables to credit institutions.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.